

OFFICE OF PROCUREMENT

Buyer's Guide for Simplified Acquisition LMS-OP-4538 Revision: Q

Approval original signed on file
Organizational Unit Manager, Office of Procurement
Date 5/13/08

NASA Langley Research Center (LaRC)
Langley Management System (LMS)

CHANGE RECORD

Rev. No.	Date	Description
B	03/21/00	Updates procedure to reflect OSEMA reorganization and reference to LMS instead of J drive. Revises paragraph IV.G. to be consistent with the FAR. Revises IV.H.1.d. to ensure reps & certs are obtained from all offerors unless quotes were solicited orally. Revises paragraph IV.J.1.c. to include other uses of SF 182. Updates GSA Advantage web site. Includes FAR 13.5 procedures.
C	05/23/00	Added new Paragraph O requiring Past Performance evaluations (NF 1680) for Purchase Orders over \$100K.
D	11/16/00	Makes minor modifications to Paragraphs IV.C., D.4, F., G.4., I.9, J.2, M.5 & 6, and R.2. Revises the 20% Rule under paragraph IV.K. Incorporates LMS-CP-4502 information in paragraphs I.2, N.4, & R.3. Incorporates LMS-TD-4547 Tab 28 instructions. Details expeditor responsibilities.
E	5/25/01	Revises procedures to reflect process for closing purchase orders, delivery orders, and interagency agreements. Removes requirement for tracking acceptance letters. Increases threshold for when supply interagency agreements require OCC review.
F	8/22/02	Adds Section II regarding records. Removes requirement for renewal notices and acceptance letters, obsolete information, and information redundant to regulation or other LMS procedures. Relaxes the requirement for IA OCC review. Revises procedures to reflect additional types of orders for which NASA retains administration. Updates web addresses. Removes the requirement for completing NF 507 reports. Allows the issuance of convenience checks. Adds Web Security information as paragraphs C.8 and G.6.
G	10/25/02	Revised OCC review for Intergovernmental Agreements.
H	2/6/04	Revised Paragraphs IV. C, D, G, H, J, K, L, M, P, and Q. (Extensive change due to IFMP implementation.)
I	4/22/04	Revised Paragraphs IV. H.2, I.4 and P. for clarification.
J	6/30/04	Adds d.(PIC 04-04) to Paragraph IV. C.1.; revises Paragraphs J., N. and P.
K	10/26/04	Clarifies instructions throughout document. Corrects procedure for Paragraph IV. F. Updates procedures for Paragraphs H., J. and O.
L	1/4/05	Revises Section IV, paragraph P., to add SAP closeout procedure and to update closeout procedures.

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Rev. No.	Date	Description
M	4/3/07	Revised instructions throughout the document that duplicated existing regulations and makes changes due to implementation of the Contract Management Module.
N	9/10/07	Revise Section IV, paragraph M, to incorporate use of LF P239 to the closeout process.
O	12/16/07	Amend the table in paragraph C.1 and add paragraph C.8 to ensure quality assurance reviews for “Critical and Complex” items are part of the PR Screener’s review process. Add Paragraph G, and re-number subsequent paragraphs, to ensure the appropriate quality requirements are incorporated in Purchase Orders involving “critical and complex” buys. Revise Paragraph K to require Past Performance Evaluations for “Critical and Complex” buys at any dollar value.
P	3/11/08	Revise Paragraph G to further define the Simplified Acquisition process required when acquiring quality sensitive items.
Q	5/13/08	Revise Paragraph H.2 to further address documentation of review of reps and certs via LFP333; clarify in Paragraph I.5 the costs associated with Dun and Bradstreet and to request through Bus. Mgmt Branch; and delete Paragraph K. 2. “Cylinders/Gases R&D Services, Orders w/Option Periods” and replace with “Nonconforming Orders/Time Extensions” based on current practices. Ownership of LF 50 transferred to Receiving as Procurement no longer utilizes the form.

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I. Introduction

This document describes the Simplified Acquisition procedures utilized by Office of Procurement (OP) personnel. The information contained herein details the approach for implementing the requirements set forth in the FAR and NFS. The procedures for processing Government purchase card purchases may be found in LMS-CP-4540.

II. Records

Records generated by this procedure are contained in the Purchase Order Files.

III. Listing of Instruction Topics

- A. Micro-purchase Threshold Procurements
- B. Criteria for Use of Simplified Acquisition procedures
- C. Procurement Package Review
- D. Market Research
- E. Small Business Set-Aside
- F. Publication of SAT Requirements
- G. Soliciting Quotations
- H. Evaluation Quotations
- I. Award File Content
- J. PO Administration
- K. Evaluation of Contractor Performance
- L. Terminations and Cancellations
- M. Closeout
- N. Intergovernmental Agreements

IV. Instructions

A. Micro-purchase Threshold Procurements – Purchasing Agents/Contract Specialists (PAs/CSs) shall only procure requirements valued under the micro-purchase threshold when a vendor that is the only known source for a product or service will not accept a credit card. If the PA/CS is aware of another vendor capable of satisfying the Government's requirements and who accepts the Government-wide credit card, the initiator shall be consulted and requested to use the Government-wide purchase card. If acceptable to the initiator, the Purchase Requisition (PR) shall then be cancelled in accordance with LMS-CP-4505. Otherwise, the PA/CS shall issue a Purchase Order (PO) or convenience check, as appropriate. If a convenience check is issued, the PA/CS shall contact the initiator and request the PR be cancelled.

B. Criteria for Use of Simplified Acquisition procedures – FAR Part 13 and NFS Part 1813 prescribe policies and procedures for the acquisition of supplies and nonpersonal services from commercial sources when the aggregate amount of the procurement action does not exceed \$100,000, i.e. Simplified Acquisition Threshold (SAT). FAR Part 12 and NFS Part 1812 prescribe additional policies and procedures for use when acquiring commercial items. The procedure implemented shall be based upon the Government estimate and good business

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judgment. Once a certain process has been initiated for a procurement, it shall be continued until award. However, if noncommercial item quotations exceed \$100,000, immediately refer the action to the appropriate OP contracts branch.

SAT procedures shall be used to the maximum extent practicable to acquire supplies or services in response to all requirements (inclusive of options) estimated at \$100,000 or less. In addition, SAT procedures may be used to acquire commercial items up to \$5,500,000. The decision to use SAT procedures for commercial items exceeding the \$100,000 threshold shall be made by the cognizant Contracting Branch Head and shall be based primarily on the complexity of the item to be procured and how to best protect the Government's interest.

C. Procurement Package Review - Upon receipt by the PR Screener, the PR shall be reviewed for completeness considering the following factors:

1. Ensure that the PR has been through the appropriate approval process by reviewing the PR approvals as follows:

Safety Implications	Safety and Mission Assurance Office
Environmental Implications	Environmental Management, Center Operations Directorate
Information Technology	Office of Chief Information Officer
Supplies, Equipment and Information Technology	Logistics Management Team
Quality Assurance Implications for "Critical and Complex Items" (AS-9100)	Mission Assurance Branch

2. Appropriate justifications for sole source, specific make and model, and/or lease versus purchase have been received and approved in accordance with LMS-OP-4537, Table 1. (Refer to LPR 5000.2 "Procurement Initiators Guide" for a description of the information that shall be contained in these documents.)

3. The specification/purchase description, and best value characteristics when required, are adequate to obtain effective competition.

4. Unauthorized commitments that require ratification should be immediately forwarded to the Assistant Branch Head for Center Operations for action.

5. If expert services of an individual (rather than a company) are required, refer the matter to the Office of Human Capital Management for possible Special Government Employee designations and route the PR for cancellation upon receipt of supervisor concurrence.

6. For purchases involving the trade-in of LaRC owned equipment, confirm that the Property Disposal Officer (PDO) concurs with the intended trade in.

7. For flight related purchases, confirm that the LaRC Aviation Manager, Flight Research Services Directorate has reviewed and concurs with the requirement as written.

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8. When an item or service is designated as “critical and complex” on the Purchase Request, confirm that the Safety and Mission Assurance Office, Mission Assurance Branch has reviewed the requirements for special quality implications.

The PR Screener will release the PR to a PA/CS upon receipt of all required information to process the PR. If requested information is not received from the PR initiator, the PR Screener shall cancel the purchase request in accordance with LMS-CP-4505.

D. Market Research - Market research for procurements valuing less than or equal to \$100,000 is only required to the extent necessary and economically practicable. When such research is conducted, document the process used for determining sources of supply/services, identify the sources of supply found, and determine whether the supply/service being procured is a commercial item. However, market research is required for those items being procured using FAR 13.5 procedures and shall be documented using the template in the Virtual Procurement Office (VPO).

E. Small Business Set-Aside - All procurements over the micro-purchase threshold and up to \$100,000 are reserved exclusively for small business concerns. Section B. of Langley Form (LF) P333, “Award Decision Determination,” shall be completed to justify opening the competition to all interested parties in accordance with FAR Part 19 and NFS Part 1819. For procurements using FAR 13.5 procedures, a LF P46, “Industry Assistance Review/Recommendation,” shall be partially completed and forwarded to the Small Business Specialist for completion.

F. Publication of SAT Requirements - The requirements of FAR Part 5 and NFS Part 1805 shall be complied with for publicizing all actions, unless specifically excepted. Unless quotes are orally solicited, the cognizant PA/CS shall ensure that a copy of RFQs between \$10,000 and \$25,000, is posted on the OP bulletin board located at the main gate. The Electronic Posting System (EPS) shall be used as the electronic means by which synopses valued over \$25,000 are posted. Review all synopses against the NASA Internet Publishing Content Guidelines, NITR 2810-3 (http://nodis-dms.gsfc.nasa.gov/restricted_directives/tech_guidance/N_ITR_2810_3.html) to ensure that there is no information released via the internet which is considered critical to protecting Agency assets and personnel.

G. AS9100 Quality Requirements – Quality Sensitive items are defined as those falling within the definition of “critical and complex” as defined in NASA Policy Directive (NPD) 8730.5, “NASA Quality Assurance Program Policy.” “Critical and complex” procurements involve the processes and services that support the design, development, fabrication, component assembly, and system installation of flight hardware, flight software, and associated ground support equipment interfacing with flight hardware and flight software. More specifically, the NPD defines “critical and complex” as: (1) any hardware task that, if performed incorrectly or in violation of prescribed requirements, could result in loss of human life, serious injury, loss of mission or loss of a significant mission resource (e.g., Government test or launch facility), (2) the manufacture/fabrication of parts or assemblies which have quality characteristics not wholly visible in the end item and for which conformance can only be established progressively through precise measurements, tests and controls applied. (See also

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NASA Procedural Requirement (NPR) 8735.2, “Management of Government Quality Assurance Functions for NASA Contracts,” and NPD 8730.5 for guidance.)

The process for ensuring that all quality sensitive procurements are reviewed by Mission Assurance Branch (MAB) from the Safety and Mission Assurance Office is defined in LMS-CP-4505. This procedure requires all PRs be reviewed for critical and complex items and be designated as quality sensitive in SAP if they meet the definition contained in NPD 8730.5. PRs that are marked quality sensitive will be routed through MAB for review and approval. The review will be documented on LF 188 Contract/Purchase Order/Solicitation Quality Assurance Requirements, which will be attached to the PR in SAP. The Contract Specialist shall incorporate all applicable quality requirements, as identified on the LF 188, into the solicitation/purchase order. In addition to the quality requirements, the Contract Specialist shall incorporate the AS9100 Terms in Conditions located on the “Link” (Langley Office of Procurement webpage) under “AS9100 Requirements”

The AS9100 standard requires that items be procured only from vendors on an approved supplier list. Considering that Langley Research Center is not in a production environment and that we typically do not make repetitive procurements, our approach is to approve suppliers on every procurement that we process using the additional quality input from MAB, thus meeting the intent of the AS9100 standard. .

All quality sensitive procurements shall include a “Q” as the seventh character in the purchase order award number such as>NNL08AQ01P. A separate notebook is available for this specific designation.

H. Soliciting Quotations

1. Representations and Certifications - In accordance with FAR 4.1201(c), when a prospective contractor has completed representations and certifications electronically via Online Representations and Certifications Application (ORCA), a part of the Business Partner Network (BPN), the PA/CS shall document the date of ORCA verification in the purchase order file on the LF P323, Checklist for Simplified Acquisitions, or LF P334, Checklist for Simplified Acquisitions Using FAR 13.5 Procedures rather than including a paper copy of the electronically-submitted representations and certifications in the file. Such a reference satisfies contract file documentation requirements of 4.803(a)(11). However, if an offeror identifies changes to ORCA data pursuant to the FAR provisions at 52.204-8(c) or 52.212-3(k), the PA/CS must include a copy of the changes in the contract file. The PA/CS shall also document on LF P333, Award Decision Determination, that the representations and certifications comply with the solicited requirement and supports a determination that the contractor is responsible. If legal review is requested via the LF-P141 identify the ORCA website and the applicable DUNS number on the form.

2. Record of Quotes Received – Multiple quotations received (oral or written) shall be recorded either on LF P285, “Abstract of Quotations” or on the RFQs generated abstract form, and contain all information specified on the form. Ensure all vendors solicited are noted on the form even though no quote was received. Transportation charges, duty charges, and quoted trade or quantity discounts shall be identified as separate line items on the form.

Completion of the LF P285 is not required for sole source, Solutions for Enterprise-Wide Procurement (SEWP) or General Services Administration (GSA) procurements.

I. Evaluating Quotations:

1. Technical Evaluation – A technical evaluation from the initiator is required when best value characteristics were included in the RFQ, an equal product is offered by a vendor, or technical acceptability of the quote is in question. The technical response is acceptable via email with no signature on simplified acquisition and commercial item actions less than \$100,000.

2. Multiple Line Item Evaluation – If the determination is made that multiple awards are advantageous, the abstract shall indicate the line items awarded to each vendor, as well as the total amount of the award to each. The abstract shall also indicate the PO numbers of the additional awards for traceability. Copies of the PR and supporting documentation shall be filed with each award. Each abstract shall indicate the file that contains the original copies of this documentation. The LF P285 is not required for GSA and SEWP orders unless there is a split award. Completion of the LF P333 is required for GSA and SEWP orders.

3. GSA Schedule Purchases of Supplies – In accordance with FAR 8.405-1(c), the process of the review of items, the evaluation criteria, and the rationale for selection shall be documented in Sections A and D of the LF P333. The PA/CS should include in their selection decision any information the PR initiator may have included with documentation they submitted with the PR (e.g., review of the schedule, product research that meets the Government's requirement and rationale for their selection).

4. Price Reasonableness Determination – When there is a lack of competition, Section C of LF P333 shall be completed to document how the quoted price(s) were determined to be fair and reasonable. Examples of various techniques available in determining price reasonableness may be found in FAR Part 13 and NFS Part 1813. When there is a lack of accessible data that would assure price reasonableness, the PA/CS may request the initiator to provide minimal cost information to support the quote.

5. Responsibility Determination – A determination of responsibility and debarment check shall be made in accordance with FAR Part 9 and NFS Part 1809 for all orders. Section D of the LF P333, shall be completed documenting the results. Since funds available for Dun and Bradstreet report are limited, copies shall only be requested from the Business Management Branch on a case-by-case basis (e.g., new firm, firm with no past government experience, or if the CO suspects some problems exist with the prospective awardee).

J. Award File Content – A LF P323, "Checklist for Simplified Acquisitions, Award File Content," shall be completed for every PO less than or equal to \$100,000 and every DO under GSA and SEWP contracts, in accordance with the guidelines contained thereon. The checklist is not required for files under the micropurchase threshold. A LF P334, "Checklist for Simplified Acquisitions Using FAR 13.5 Procedures, Award File Contract," shall be completed for every PO over \$100,000 implementing FAR 13.5 procedures, in accordance with the guidelines contained thereon.

K. PO Administration

1. Repairs/Services - The PO shall identify whether repairs are to be performed on or off site. If the effort is to be performed on site, the PO shall identify the equipment, its location, and the LaRC employee to contact about the repair. If the effort is to be performed off site, a shipping document must be completed by the initiator to support this action. The PO shall identify the equipment, reference the shipping document serial number, and identify the LaRC employee to contact about the repair. In addition, the NFS Clause 1852.245-72 "Liability for Government Property Furnished for Repair or Other Services" shall be incorporated in any PO requiring the repair of Government property.

2. Nonconforming Orders/Time Extensions - The PA/CSs shall attempt to obtain consideration for extending any delivery date and document the file accordingly. Receiving personnel work directly with endusers to resolve minor conformance matters with vendors. If not easily resolved, receiving personnel will contact OP for CO assistance. If the supplies/services did not conform to the PO/DO specifications, the PA/CS may, if the vendor plans to replace the nonconforming supplies/services within a reasonable time period, obtain a Return Authorization (RA) number from the vendor; authorize the vendor to make changes at his expense, and establish a new delivery date via a modification to the PO. With the concurrence of the customer, the PA/CS may accept the items based upon a negotiated price reduction, or some other form of consideration. If the vendor cannot correct the nonconforming supplies/services within a reasonable time period, the PA/CS shall reject the items and obtain a RA number from the vendor, and terminate the PO for cause, convenience, or default as appropriate, or accept the items based upon a negotiated price reduction, or some other form of consideration. A bilateral modification shall be issued to reflect the agreement.

L. Evaluation of Contractor Performance – A web-based NASA Form (NF) 1680 "Evaluation of Performance," shall be completed for all POs, Delivery/Task Orders under GSA Blanket Purchasing Agreements (BPAs), and Delivery/Task Orders against GSA Schedules over \$100,000. Per the AS-9100 Standard, a web-based NASA Form (NF) 1680 "Evaluation of Performance" shall be completed for all POs, Delivery/Task Orders under GSA Blanket Purchasing Agreements (BPAs), and Delivery/Task Orders against GSA Schedules **at any dollar value** for items labeled as "critical and complex". Refer to LMS-OP-4525 for instructions on how to process and use the web-based NF 1680.

M. Terminations and Cancellations – The procedures of FAR Parts 12, 13, or 49 and NFS Parts 1813 or 1849 shall be used for terminating and canceling POs. All actions leading up to termination shall be conducted in accordance with LMS-OP-4526, Issue Modifications, Changes and Terminations.

N. Closeout

1. Files are considered physically complete when evidence of receipt and acceptance of ordered supplies/services is received by the PA/CS. For supplies, evidence of physical completion is receipt of LF 131, "Receipt and Inspection Report," or a goods receipt has been recorded in SAP. For services or subscriptions, evidence of physical completion is written (email is acceptable) end-user acceptance. If the vendor has delivered and the Government has accepted all items, or the PO/DO was cancelled or terminated, the PO/DO is considered to be

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physically complete. Upon physical completion, complete the LF P239 “Reassignment for Settlement and Closeout,” and place it on top of the file to be transferred.

2. For those Orders requiring a final technology report, for purposes of transferring files to the Closeout contractor, the definition of “physically complete” is as follows:

“All services have been performed and all deliverables/reports have been received, excluding final technology reports, and those reports listed in FAR 4.804-5.”

O. Intergovernmental Agreements – In addition to the requirements of FAR Part 17 and NFS Part 1817, the following procedures shall be used for processing intergovernmental/interagency agreements (IAs). Refer to LPR 5000.2 for a discussion of when IAs may be used, under what authority and PR supporting documentation required. The IAs are currently processed under the Space Act vice the Economy Act for the purpose of making the determination. There is a 5-year limitation on Interagency Agreements.

1. Ensure a Determination and Findings (D&F) is completed when funds are to be transferred.

a. Interagency Acquisitions Pursuant to the Space Act (Public Law 85-568) - The Space Act authorizes NASA to enter into agreements with federal, state, or local government agencies. Acquisitions under the Space Act may require a Memorandum of Agreement (MOA) to be executed by both agencies prior to issuance of the purchase order or MIPR to the servicing agency. (See LAPD 1050.2 for funded IAs within the delegation of the Procurement Officer). The PR initiator is responsible for ensuring that a MOA or Annex has been properly executed in accordance with LAPD 1050.2 prior to submitting a PR. PRs submitted without a supporting MOA or Annex will be cancelled by the PR Screener in accordance with LMS-CP-4505. A copy of the signed MOA or Annex shall be included in the file and referenced on the order as applicable. A D&F is also required for interagency acquisitions pursuant to the Space Act. FAR Part 17.503 and NFS Part 1817.7002 set forth the requirements for the D&F.

b. In accordance with NFS 1817.7002(e), a written D&F is not required for actions awarded to other government agencies pursuant to a Broad Agency Announcement (BAA). The acquisition file should include a copy of the BAA and the notice of selection for award.

2. Complete and issue a NF 523, “NASA-Interagency Purchase Request”.

3. In addition to the routine information included on all POs (e.g., order number and date, delivery date, discount terms, FOB Point, etc.), the agreement shall include the information required by NFS 1817.7005-2.

4. In accordance with 1817.7002(g), all D&Fs shall be reviewed by legal.